

PRESS RELEASE

DATE: 19 March 2026
CONTACT: Press Office tel. +46 8 787 02 00

Policy rate unchanged at 1.75 per cent

The Executive Board of the Riksbank has decided to hold the policy rate unchanged at 1.75 per cent and the rate is expected to remain at this level for some time to come. However, the war in the Middle East makes the forecast very uncertain. The Riksbank monitors developments closely and will adjust monetary policy if the outlook for inflation and economic activity so requires.

Recent international developments have been very dramatic. The war in the Middle East has caused major movements in energy prices and in financial markets, including a rise in short-term market interest rates. The US dollar has strengthened, including against the Swedish krona. It is still unclear what the more long-term consequences will be, in both geopolitical and economic terms, and conditions can change rapidly.

In Sweden, there are fundamentally favourable conditions for the economic recovery to continue. Underlying inflation has been unexpectedly low in recent outcomes. The war in the Middle East is expected to dampen growth somewhat in the near term and push up CPIF inflation as a result of higher energy prices. These are also expected to be passed on to some extent to other prices.

The Executive Board has decided to leave the policy rate unchanged at 1.75 per cent. The Riksbank's main scenario, which is highly uncertain this time, assumes that the war has moderate effects on inflation and the economic recovery. It is still too early to be able to see clearly how the war is affecting the outlook. At present, the Executive Board judges that the current level of the policy rate and an unchanged forecast compared with December is a well-balanced monetary policy. This contributes to strengthening the economy, and to more underlying inflation being in line with 2 per cent at around the turn of the year. CPIF inflation will reach the target in 2029 when the temporary effects of energy prices and VAT adjustments will have ebbed out.

S V E R I G E S R I K S B A N K

It is important to be prepared for a different course of events. One possible scenario is that the war has significantly greater effects on the global economy and leads to a broader and more persistent upturn in inflation. The Riksbank would then have to raise the policy rate, even though economic activity in this case would be significantly lower. Another possible scenario is that the negative effects on demand become more significant at the same time as inflationary pressures become weaker. The Riksbank would then have to cut the policy rate to stimulate demand and thereby stabilise inflation at the target.

The developments call for vigilance. In addition to the war in the Middle East, there are several other risks, and the range of potential outcomes for what can happen going forward is wide. The Riksbank monitors developments closely and will adjust monetary policy if the outlook for inflation and economic activity so requires.

Forecasts for Swedish inflation, GDP, unemployment and the policy rate

Annual percentage change, annual and quarterly averages

	2025	2026	2027	2028	2029 Q1
CPI	0.7 (0.7)	0.8 (0.6)	2.0 (2.1)	3.5 (3.2)	2.6
CPIF	2.6 (2.7)	1.5 (0.9)	1.3 (1.7)	2.7 (2.8)	2.0
GDP	1.5 (1.5)	2.5 (2.9)	2.6 (2.5)	1.3 (1.2)	1.3
Unemployment, per cent	8.8 (8.8)	8.4 (8.6)	8.0 (8.0)	7.6 (7.5)	7.6
Policy rate, per cent	2.1 (2.1)	1.8 (1.8)	1.9 (1.9)	2.1 (2.1)	2.2

Note. The assessment in the December 2025 Monetary Policy Report is shown in brackets. For Q1 2029 a calendar-adjusted GDP growth and seasonally-adjusted LFS unemployment are shown.

Sources: Statistics Sweden and the Riksbank

Forecast for the policy rate

Per cent, quarterly averages

	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2028 Q1	2029 Q1
Policy rate	1.75 (1.75)	1.75 (1.75)	1.77 (1.77)	1.81 (1.81)	1.99 (1.99)	2.17

Note. The assessment in the December 2025 Monetary Policy Report is shown in brackets.

Source: The Riksbank

The decision on the policy rate will apply from 25 March 2026. The minutes from the Executive Board's monetary policy meeting will be published on 25 March 2026. A press conference with Governor Erik Thedéen, and Åsa Olli Segendorf, Head of the Monetary Policy Department, will be held today at 11.00 at the Riksbank. Press cards or the equivalent are required to participate. Advance registration is required, to press officer Susanne Meyer, susanne.meyer@riksbank.se no later than 10.00 on 19 March 2026. The press conference will be broadcast live on riksbank.se.